



5222 Hwy. 311 | Houma, LA 70360 | 985.872.5480 | power@nrecps.com
P.O. Box 3016 | Houma, LA 70361

May 4, 2018

Sewerage and Water Board of New Orleans, LA

625 Saint Joseph Street

New Orleans, LA 70165

Attn: Christopher Wattigney

P: 504-715-7195

cwattigney@swbno.org

Reference: 2018HS0060-R3

Subject: Exchange (2) 12-251-F Alco Remanufactured Engines

Mr. Wattigney,

NRE Power Systems appreciates the opportunity to present this proposal. This proposal is based on information you have requested for two (2) 12 cylinder 251-F Alco engines. This quote can be modified as per your request.

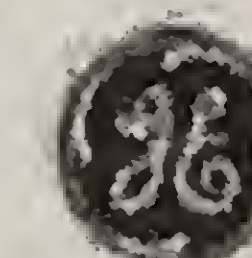
NRE Power Systems proposes to supply the following:

- Two (2) 12 Cylinder 251-F Alco Remanufactured Engines.
 - \$500,000.00 (Standard Exchange Price)
- Labor to disassemble and remove customers failed Engine. **(Included in Labor Total)**
- Disconnect all piping, electrical wiring, and mounting bolts. **(Included in Labor Total)**
- Schedule trucking for failed engine to be delivered to our NRE-Houma facility.
 - \$2,000.00
- Inspect engine foundations, Perform Alignment and have ready for install.
 - \$17,800.00
- Remove and Remanufacture Oil Coolers for reinstall.
 - \$5,000.00
- Schedule trucking to deliver Remanufactured Engines to your New Orleans facility.
 - \$2,000.00
- Cost to Replace Damaged Crankshaft
 - \$36,000.00
- Labor to reinstall Remanufactured Engines. **(Included in Labor Total)**

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- Reconnect all piping and electrical wiring. (Included in Labor Total)
- Exhaust Flex's and Adapters Including Miscellaneous Gaskets, Fasteners, and Hoses.
 - \$24,000.00
- NRE will provide engine oil and coolant.
 - \$12,860.00
- Perform all pre-startup inspections. (Included in Labor Total)
- Perform engine startup and test under load. (Included in Labor Total)
- Mileage total to and from job site.
 - \$6,720.00
- Labor total to perform the above work scope
 - \$98,120.00

NRE Power Systems can provide the items and perform the work listed above to Sewerage and Water Board of New Orleans for \$704,500.00 and a Not to Exceed Basis of \$900,000.00

The Not to Exceed price listed above is a worst-case scenario based on your engine cores being completely non repairable.

- Engine Blocks \$160,000.00 (If beyond repairable)
- Additional \$35,500.00 (For any additional Labor delays Not the fault of NRE Power Systems)

Performance Bond: Can be provided if we (NRE) are awarded job. Additional cost will apply.

Warranty: One (1) year warranty on major engine components and Six (6) month warranty on labor. Customer Is Responsible for Mileage, Travel Time, Expenses, Overtime, Airfare and All Waiting Time.

Validity: This proposal is valid for ninety (90) days from the proposal letter date. This proposal may be modified or withdrawn by NRE Power Systems without penalty any time prior to the execution of a formal agreement between NRE Power Systems and Sewerage and Water Board of New Orleans relating to the subject matter of this proposal.

Thank You Mr. Wattigney for your consideration of NRE Parts and Service. If you have any questions, please contact me I and will get back to you promptly with your answers.

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